



**State of Missouri  
2005 Governor's Award for Quality and Productivity  
Nomination Summary**

**Team Name:** Fleet Management Team

**Nominating Department:** Office of Administration, Departments of: Agriculture, Corrections, Conservation, Economic Development, Elementary & Secondary Education, Health & Senior Services, Higher Education, Insurance, Labor and Industrial Relations, Missouri Lottery, Mental Health, Natural Resources, Public Safety, Revenue, Social Services, Transportation and State Tax Commission

**Nominator:** Randy Allen

**Category:** Efficiency

**Summary:**

A number of attempts to establish a centralized fleet management program had failed over the past several years; however, the Fleet Management Team garnered critical legislative and top management support to implement lasting and necessary change in agency fleet practices.

The Fleet Management Team was formed to improve the efficiency of the state vehicle fleet and accomplished a number of notable achievements:

- Developed and implemented a comprehensive State Vehicle Policy
- Reduced commuting in state vehicles by 74%
- Implemented uniform fleet tracking system with reporting capabilities
- Established an accurate count of the number of state owned vehicles
- Eliminated over 1,100 underutilized vehicles from the state fleet
- Increased the efficiency of pool vehicles by 18%
- Created the Trip Optimizer, an interactive web application to assist employees in determining the most cost effective mode of travel



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2005 Governor's Award for Quality and Productivity

NOMINATION FORM

**I. GENERAL INFORMATION**

Department: Office of Administration

**1. Project or team name.**

Fleet Management Team

**2. List the name of all team members and organization.**

Cynthia Dixon, Office of Administration, Division of General Services  
Mark S. Kaiser, Office of Administration, Division of General Services  
D'ann Uptegrove, Office of Administration, Division of Information Technology Services  
Tom Shultz, Office of Administration, Division of Information Technology Services  
Mitzi Roach, Office of Administration, Division of Information Technology Services  
Tonya Snyder, Office of Administration, Division of Information Technology Services  
Alan Clements, Department of Agriculture  
Joan Hays, Department of Corrections  
Jim Gerling, Department of Conservation  
Steve Waters, Department of Economic Development  
Rich Villmer, Department of Elementary & Secondary Education  
Kevin Kolb, Department of Health & Senior Services  
Janelle Jaegers, Department of Higher Education  
Shirley Gerling, Department of Insurance  
Doug Stephan, Department of Labor and Industrial Relations  
Rick Petty, Missouri Lottery  
Mike Haake, Department of Mental Health  
Stan Perkins, Department of Natural Resources  
Rhonda Fogelbach, Department of Public Safety  
Brenda Davis, Department of Revenue  
Rick Contryman, Department of Social Services  
Jeannie Wilson, Department of Transportation  
Stacey Jacobs, State Tax Commission

**3. Nomination category.**

(Check *only one*)

- |  |   |
|--|---|
| <input type="checkbox"/> INNOVATION            | <input type="checkbox"/> CUSTOMER SERVICE         |
| <input type="checkbox"/> PROCESS IMPROVEMENT   | <input type="checkbox"/> TECHNOLOGY IN GOVERNMENT |
| <input checked="" type="checkbox"/> EFFICIENCY | <input type="checkbox"/> WORKFORCE PLANNING       |

**4. Nomination Summary** – Describe (in 150 words or less) the initial challenge, research, problem solving measure, documentation, results, etc. Summary page must be 12 points, Times New Roman font, and left justified.

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## **II. BACKGROUND**

### **1. Why did you select this nomination category?**

The Fleet Management Team made dramatic improvements in the efficiency of the state fleet. One key measure of efficiency is the degree to which the state maximizes vehicle utilization compared to standards established in the State Vehicle Policy.

Implementation of the State Fleet Information System in 2003 provided a single uniform tracking mechanism for state vehicle data, as well as a foundation to assess the efficiency of the fleet. As a result, actual vehicle data was measured against policy standards to expose areas of inefficiency. Agencies responded and ultimately eliminated over 1,100 underutilized vehicles in their fleets and reassigned countless other vehicles to maximize their use.

Implementation of the *Trip Optimizer* provided a convenient, web-based tool for state employees to accurately determine the cost of various travel options and thereby reduce state travel expenditures.

### **2. Date project was completed**

The project included a number of critical components that were implemented over a two-year period. The State Vehicle Policy was issued on January 1, 2002 and subsequently revised on February 1, 2004; the State Fleet Information system was implemented on July 1, 2003; the *Trip Optimizer* was implemented in December 2003, and fleet reduction efforts were finalized by June 30, 2004.

### **3. Check length of time project has been in place.**

- |  |   |
|--|---|
| <input type="checkbox"/> 0 - 3 Months          | <input type="checkbox"/> 4 – 6 Months     |
| <input type="checkbox"/> 7 - 9 Months          | <input type="checkbox"/> 10 – 12 Months   |
| <input checked="" type="checkbox"/> 12 or more | <input type="checkbox"/> On-going Project |

### **4. Describe the condition/situation prior to the team's intervention.**

Audit reports, efficiency commission findings and agency self-assessments all reached the same basic conclusions. Missouri state government's highly decentralized fleet was, in many instances, poorly managed. The state had no idea how many vehicles it owned or how much it cost to operate its fleet. Assignment and usage policies varied significantly across state agencies, when these policies even existed. Half of state agencies did not have a vehicle replacement policy; consequently, some agencies replaced vehicles too often while others operated vehicles too long. Records of usage, costs and maintenance were not always kept accurately, making statewide and sometimes agency fleet analysis impossible.

Each year the state spends an average of \$60 million to acquire and operate state vehicles, and an additional \$16 million on personal mileage reimbursement. Although representing a sizeable portion of agency operating budgets, these costs were not collectively analyzed or managed on a statewide level.

The combination of state budget concerns and increasing public scrutiny of the state vehicle fleet created a climate of considerable interest in statewide efforts to manage agency fleets. Previous efforts to establish standard fleet practices for the State of Missouri included the Council on Efficient Operations, led by former Lt. Governor Wilson. The council made a number of recommendations; however, only one was implemented - the establishment of a statewide fuel card. Also, legislation was introduced in both 1999 and 2000 to create a state vehicle fleet management program. The legislation failed to pass, again believed due to the lack of comprehensive fleet data to support the stated benefits and questions surrounding the advantages of a centralized fleet program given the staffing and expense levels required by a program of this magnitude. In March 2001, an effort was made by former Lt. Governor Maxwell to revive interest in statewide fleet management by recommending the establishment of standard vehicle policies and a Division of Fleet Management within OA. Also in 2001, the State Auditor identified several examples of inadequate management of state vehicles.

It was imperative for this team to implement changes that would improve statewide fleet practices. In the midst of the team's initial efforts, a House Interim Committee began an analysis of the state vehicle fleet anticipating the need for legislative action. Team members worked with the Committee and ultimately recommended legislation to improve state fleet practices.

**5. Which of the following best reflects why the project was implemented?**

- |   |   |
|---|---|
| <input type="checkbox"/> employee initiative                                | <input type="checkbox"/> management directive |
| <input checked="" type="checkbox"/> legislative mandate or statutory change | <input type="checkbox"/> other - explain      |

### **III. RESULTS/ACCOMPLISHMENT**

**1. What did the team accomplish?** *(Use specific data and examples to identify accomplishments and whom benefited: i.e. agency, division, department, citizens, individuals, etc.)*

The Fleet Management Team implemented several enhancements in the management of the state fleet, which will provide significant long-term cost reductions for state government. The team:

- Developed and implemented a comprehensive State Vehicle Policy touted as a model policy by the National Conference of State Fleet Administrators
- Reduced commuting in state vehicles by 74%
- Implemented a uniform web based fleet tracking system with reporting capabilities within eight months, saving state agencies approximately \$481,000 in first year system costs as well as recurring annual maintenance fees in subsequent years
- Established an accurate count of the number of state-owned vehicles
- Automated the annual alternative fuel report for the Department of Natural Resources, saving agencies significant time and resources
- Reconciled vehicle data with the Department of Revenue to enhance vehicle data reliability
- Eliminated over 1,100 underutilized vehicles from the state fleet
- Created the *Trip Optimizer*, an interactive web application to assist agencies in determining the most effective mode of travel
- Developed a new web-based State Vehicle Complaint form for citizens to alert state agencies of potential misuse or employees unsafe driving practices
- Implemented a vehicle credit process whereby agencies receive monies from the sale of vehicles toward the purchase of new vehicles

### State Fleet Management Program

In 2002, team members worked closely with the House Interim Committee to draft meaningful fleet management legislation. The team demonstrated a vision for the fleet management program, which satisfied the concerns of the Interim Committee. The team drafted legislation and House Bills 1270 and 2032 were passed by the General Assembly and signed by Governor Holden on July 11, 2002. The legislation formally established a statewide fleet management program within the Office of Administration and called for the development of statewide policies and creation of a fleet information tracking system that would provide the basis for future fleet management decision-making. The legislation included an emergency clause, making the State Fleet Management Program effective upon the Governor's signature. Although the legislation contained a fiscal note acknowledging staffing and expense requirements, General Services used existing internal staff and team members to immediately begin efforts to develop a new comprehensive state fleet information tracking system.

### State Vehicle Policy

As a result of the team's efforts, a comprehensive state vehicle policy was issued on January 1, 2002 and subsequently revised on February 1, 2004. The initial State Vehicle Policy was developed through an extensive, collaborative effort among team members. The team reviewed existing state agency policies, recommendations from the Council on Efficient Operation's Vehicle Management and Maintenance Team and the State Auditor's report. A draft policy was submitted to agencies for their review and input, and a new policy was issued on January 1, 2002.

Based on input from team members, research of IRS guidelines and best practices from other states, the State Vehicle Policy was revised on February 1, 2004. The key revisions were:

- Further limited commuting in state vehicles.  
Commuting is a costly, discretionary expenditure that should only be utilized if there is a compelling benefit to the state, not the employee. The policy now mirrors IRS guidelines and commuting in state vehicles has declined 74% since the inception of the policy. Missouri's policy was recognized by the National Conference of State Fleet Administrators (NCSFA) in a recent newsletter article that summarized over 30 state's commuting policies (see quote on the right).
- Increased the minimum replacement criteria for passenger vehicles from 60,000 to 105,000 miles or seven years (whichever comes first). This increase will guarantee the state maximizes use of the fleet.
- Preapproval of all passenger type vehicles by the State Fleet Manager to contain growth in the fleet and ensure vehicles are utilized to the extent required in the State Vehicle Policy.

The State Vehicle Policy is the cornerstone for efficient and consistent fleet practices across Missouri state government and provides uniform standards to measure statewide fleet performance. A comprehensive policy is essential to effectively manage the state's fleet assets and ensure state vehicles are acquired, assigned, utilized, replaced and maintained in the most efficient and effective manner to conduct state business.

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*"We received almost thirty replies to this survey and most of them were excellent. Cindy Dixon and Mark Kaiser from Missouri provided a copy of their excellent state administrative policy that was built on IRS guidelines. Anyone needing guidance in this area would do well to reference Missouri's guide."*

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*NCSFA Winter 2004 Newsletter*

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### State Fleet Information System

With top management support and dedicated team members, a comprehensive web-based State Fleet Information System was implemented for agencies, as promised, on July 1, 2003, less than one year after the State Fleet Management legislation became law. The team carefully identified the informational needs of the fleet management program and the features requested and recommended by state agencies.

In the midst of state budget constraints, team members researched internal and external system options and determined a new fleet system could be developed in-house at no cost to state agencies. With significant input from agencies, team members developed data elements and system functionality requirements between August and December 2002. Team members designed, programmed and tested the system, trained users and converted agency data all within an eight-month window. This web-based system provides low cost access from any internet-connected computer. Initial estimates on the legislation's fiscal note projected the annual cost for an external web-hosted fleet system to be \$481,000 the first year with significant on-going software maintenance costs in successive years. Through the team's efforts in developing the system in-house, agencies did not incur the expense of a much higher cost commercial fleet information system at a time when their budgets were shrinking.

With much forethought and planning, team members designed the State Fleet Information System to capture data and produce required annual reports for agencies. For instance, the Department of Natural Resources (DNR) required agencies to submit annual alternative fuel and vehicle reports. Prior to implementation of the fleet system, agencies manually prepared data for these complex reports that sometimes consumed days or weeks of staff time. The State Fleet Information System now automatically generates the required DNR report, resulting in significant savings of time and resources, improved accuracy and reduced duplication of effort for agency staff responsible for report preparation.

Additionally, team members developed a program to import vehicle maintenance and repair data from OA Vehicle Maintenance into the State Fleet Information System on a monthly basis. This new data import reduces data entry efforts and improves data accuracy.

The State Fleet Information System provides agencies with multiple reporting options to assist with fleet analysis. The system includes inquiry screens for quick research, standard reports and the ability to customize queries based on agencies' individual needs.

#### **Data Reconciliation with Department of Revenue**

The reconciliation of agency reported vehicle information with the Department of Revenue's registration system was essential to ensuring accuracy and establishing credibility of the fleet data. Until this point, reconciliation had been attempted with limited success due to various vehicle data tracking methods used by state agencies. Team members collaborated with the Department of Revenue to design an automated data transfer and reconciliation program that would validate vehicle data between Revenue's data system and the State Fleet Information System leading to significantly improved accuracy of both systems. The error rate dropped 85% from 2003 to 2005, with a current error rate of only 1.65%.

#### **Statewide Fleet Analysis**

The State Fleet Information System captures data in a consistent manner and provides critical statewide fleet analysis that is fundamental to efficient management of the fleet. While legislation called for a vehicle tracking system, the team implemented a comprehensive system that not only captures basic vehicle data, but also captures assignment data, acquisition, fuel, maintenance and repair cost, miles driven and disposal information, as well as providing an accurate and consistent count of the number of state vehicles.

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***"The Fleet Information System has benefited the Department of Mental Health by centralizing our fleet data into one collection point. Before the fleet system, our data was kept separately at each of our 28 facilities. We are able to manage our vehicles more efficiently by analyzing our data frequently and making assignment changes that will maximize our fleet resources. The Fleet Information System has helped us monitor underutilized vehicles more closely and where feasible reassign these vehicles to increase their usage. Tracking our vehicles operating costs has been a great feature of the system. In the past, this information was very time consuming for us to gather when needed. Federal and State reporting requirements have been streamlined which has saved us significant time."***

**Mike Haake  
Fleet Manager  
Department of Mental Health**

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The team developed baseline performance measures from data captured by the system. These measures are vital to the effective management of the state fleet and include:

- Utilization statistics
- Cost measures
- Compliance levels with the State Vehicle Policy
- Fleet age and condition

With this new information, the State Fleet Management Program is able to accurately report the status of the state vehicle fleet to policymakers in its statutorily required annual report.

### **Fleet Reductions**

To date, state agencies have reduced their fleets by over 1,100 licensed vehicles. In January 2003, the Commissioner of Administration directed state agencies to immediately reduce the number of passenger vehicles by 10% and to continue reductions until each agency was in compliance with utilization standards included in the State Vehicle Policy. Reduction targets were established, measured and reported in the annual report sent to the Governor and General Assembly. Team members played a vital role in coordinating this reduction effort throughout their agencies by ensuring that the fleet reductions taken would have a positive impact on the efficiency of their fleets. They were asked to submit fleet reduction plans and coordinate the actual disposal of vehicles in a six-month time frame. This effort required team members to conduct a vehicle-by-vehicle evaluation to determine that the planned reductions were the most appropriate and beneficial to the state.

The Commissioner directed a second fleet reduction effort in January 2004, calling for agencies to reduce the number of underutilized vehicles by 25%. This effort specifically targeted vehicles driven less than 5,000 miles a year. This second round of reductions resulted in an additional elimination of approximately 120 underutilized vehicles from the state fleet.

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***"The Department of Corrections has made substantial improvements to our fleet. Using the State Vehicle Policy standards and data from the State Fleet Information system we have been able to eliminate commuting vehicles by 35, reduce the fleet by 97 vehicles and reassign 163 underutilized vehicles to increase their usage. The Department now has better data to ensure all vehicles are being utilized to the fullest extent possible which is critical in these tight budget times."***

***Joan Hays  
Fleet Manager  
Department of Corrections***

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### **Improved Vehicle Utilization**

Team members led efforts to reduce or reassign vehicles that were not in compliance with established utilization standards. The State Vehicle Policy requires an average of 15,000 miles for assigned and pool vehicles, and the State Fleet Information System now provides a timely, accurate means to measure vehicle utilization levels. Overall, agencies increased utilization of pool vehicles by 18%, from 13,140 miles in FY 02 to 15,548 average miles per year in FY 04. Additionally, state vehicles are now only assigned to individuals who travel over 15,000 business miles per year. Assigned vehicles used by individuals for commuting purposes have also been significantly restricted.

### **Vehicle Pre-approval Process**

It became apparent to team members that controls to contain growth in the fleet were also necessary to improve fleet efficiency. After researching best practices of other states, a pre-approval process was established which helped team members manage vehicle purchases within their own agency.

The process provides a mechanism to ensure agencies are utilizing existing vehicles to the fullest extent possible prior to purchasing replacement or expansion vehicles. Additionally, agencies must demonstrate that the vehicle to be replaced has met the minimum replacement criteria established in the State Vehicle Policy.

### Interactive Travel Tool

The *Trip Optimizer* tool was developed to assist agencies in determining the most cost effective mode of travel between Amtrak, state vehicles, mileage reimbursement and rentals. It is a user-friendly tool available for state employees on the State Fleet Management web site. The user enters the number of trip days and round trip miles, and the most cost effective travel option is displayed.

Agency fleet managers have promoted the *Trip Optimizer* within their agencies, and it was also disseminated to members of the State Purchasing Committee and Financial Management Committee. Some agencies have recommended its use in their internal travel policies.

The *Trip Optimizer* highlights the high cost of mileage reimbursement and directs employees to other lower cost options such as state vehicles or vehicle rentals on state contract. The table to the right illustrates the various costs displayed in the *Trip Optimizer* for a one-day, 150-mile trip.



	Cost Per Mile	Total Cost
State Vehicle	\$ .204	\$30.62
Rental	\$ .306	\$45.94
Mileage Reimbursement	\$ .375	\$56.25

Lowest Cost	State Vehicle
Next Lowest Cost	Rental

### Online State Vehicle Complaint Form

The proper and safe operation of state vehicles on Missouri roadways is essential and required by the State Vehicle Policy. Driving an official vehicle is the most public activity performed by the majority of state employees. Citizens report complaints about state employee driving or misuse of state vehicles every business day, and it is impossible to count the number of people who would like to, but don't, make a complaint. This is a serious public relations issue for Missouri state government.

Team members created a convenient, web-based complaint form for citizens or employees to report the improper use of state vehicles. The new complaint website can be found on various web pages, including the State, OA and State Fleet Management. The State Vehicle Complaints logo is also illustrated to the right.

Complaints submitted via the web are now emailed directly to the State Fleet Manager. The citizen receives a message back that their complaint will be sent to the appropriate state agency for investigation and resolution. State Fleet Management then forward the email to the appropriate agency with the specific details of each complaint.



### Vehicle Credits

To encourage agencies to dispose of vehicles in a timely fashion to maximize resale value, team members worked closely with the House Interim Committee to make statutory changes (Section 37.452 RSMo.) that would allow for the deposit of vehicle sales proceeds into the Office of Administration Revolving Fund to be credited to state agencies. To date, over \$700,000 has been deposited into the OA Revolving Fund and is available for agency use. Without the statutory changes, these funds would be deposited back into the General Revenue Fund and agencies would have no incentive to dispose of vehicles in a timely fashion.

2. Which of the following describes the benefits of the accomplishment? (Check all that apply)

☒ cost reduction

☐ time savings

**3. Explain how the accomplishments of the team are beyond regular duties and responsibilities (100 words or less).**

With much perseverance, team members were able to achieve sweeping changes in the management of the state fleet. For over twenty years, state auditors, efficiency councils and state officials had stressed the need for a more coordinated fleet management effort for Missouri state government. This team of dedicated state employees envisioned a step-by-step change effort, drafted legislation, garnered top management and agency support, determined industry best practices and then implemented dramatic changes that measurably increased fleet efficiency and built a solid foundation for future management of the fleet.

#### **IV. MEASUREMENT/EVALUATION**

**1. Explain how the team measured and evaluated this project.**

The team's efforts dramatically improved the management of the state fleet. The new State Fleet Information System provided a mechanism to measure fleet efficiency as evidenced by reductions in the size of the fleet, vehicle reassignments and increased utilization of pool vehicles. The in-house development of the system resulted in no new costs to agencies during a period of declining budgets. Agencies have and will continue to reassign vehicles to optimize their use. The team implemented the recommendations of the State Auditor's Office and the requirements set forth by the Commissioner of Administration and state statutes. Additionally, baseline measures are now available from data extracted from the State Fleet Information System to compare Missouri's data with other states. This was a critical step forward to drive future improvement initiatives.

**2. Are the benefits from this project recurring?**

☒ Yes      ☐ No

**3. If yes, please explain in 300 to 500 words.**

The Fleet Management Team collectively elevated the criticality of ongoing efficient fleet management practices across Missouri state government. The team has built a solid foundation for ongoing efficient management of the state fleet by nurturing legislation through the General Assembly, adopting the State Vehicle Policy and implementing a uniform State Fleet Information System. The statute, policy and system all exemplify the critical components of effective fleet management.

Agencies will continue to utilize the State Vehicle Policy and the State Fleet Information System to maximize vehicle usage and continually look for opportunities to reduce overall fleet and vehicular travel expenditures. The State Fleet Information System will continue to provide a low cost mechanism to track state vehicle data. Decisions concerning vehicle purchases, optimum replacement points and minimum assignment criteria can now be made based on data contained in this system. The reconciliation of data between the State Fleet Information System and the Department of Revenue continues to be performed quarterly to ensure accuracy of licensed vehicles.

The development and implementation of the *Trip Optimizer* has already heightened agency awareness of the various cost of certain travel options. This cost saving tool would not have been possible without state vehicle data from the State Fleet Information System. Many agencies are utilizing the *Trip Optimizer* to ensure employees select the lowest cost travel option. In FY04, state employees traveled over 190 million miles on official state business in state-owned and privately owned vehicles, therefore; every penny counts in state travel, and the *Trip Optimizer* will continue to be promoted as a viable mechanism to lower overall travel costs.

As a result of the team's efforts, policymakers will be able to make informed decisions based on accurate data and trends in the state fleet. These historical improvements to state fleet operations will have a lasting impact on the efficiency of the state fleet.

## V. RECOGNITION/AWARDS

1. Has this project ever been nominated for the Governor's Award for Quality and Productivity? If yes, when?

Yes. 2004.

2. Has this project received any other awards or recognition in the past? If yes, describe.

No.

## VI. NOMINATOR'S INFORMATION

NOMINATING DEPARTMENT			
Office of Administration			
Name	Signature	Telephone Number	E-Mail Address
Randy Allen			

NOTE: THIS SECTION IS TO BE FILLED OUT BY THE DEPARTMENT DIRECTOR

## VII. DEPARTMENT DIRECTOR APPROVAL

1. Please indicate the impact of this team's efforts on the department, customer, etc.

☒ A. High Impact

☐ B. Moderate Impact


☐ C. Marginal Impact

☐ D. Impact cannot be evaluated at this time\*

(\*Submit nomination only after the agency is able to measure and document impact.)

2. Why should the Governor's Award for Quality and Productivity be awarded to this team?

In a short period of time and with limited resources, the Fleet Management Team accomplished a number of historic and sweeping changes to the management of the state vehicle fleet. The team successfully elevated the importance of effective fleet management across state agencies, and as a result, their efforts will continue to improve fleet efficiency for years to come.

DEPARTMENT DIRECTOR'S NAME	DEPARTMENT DIRECTOR'S SIGNATURE*
Michael N. Keathley	

\*Nomination must be signed by the Department Director to be eligible for consideration.